

## [The battle to reconstruct Iraq](#) [U.S. needs to keep an eye on its tax dollars](#)

- Tom Lantos

Sunday, August 20, 2006

THE UNITED STATES is dangerously close to losing the reconstruction battle in Iraq, putting our troops in needless danger, hampering our ability to exit Iraq responsibly with essential infrastructure intact, and further damaging our country's image in the world.

While the problems in our reconstruction efforts can be partly attributed to lack of security, gross mismanagement of U.S. taxpayer dollars is severely compounding those problems.

On a late Friday afternoon in the waning days of July, the Special Inspector General for Iraq Reconstruction (SIGIR) released a damaging report that exemplified the U.S. government's blatant failure to oversee reconstruction of a dismaying range of projects in Iraq.

In an alarming report on the Basrah Children's Hospital Project, the SIGIR found that the U.S. Agency for International Development repeatedly failed to report to Congress major cost overruns and significant delays in the completion of the hospital. The report found that time and again, USAID hid the mounting costs for completing the project by designating them as administrative or indirect costs. Not only were these charges hidden from Congress, but the hospital project is not even close to completion despite all of the funds being exhausted.

USAID's shell-game in the Basrah Hospital Project is only the most recent case demonstrating the gross lapses in the United States' government's oversight over the Iraq reconstruction program. Since 2004, the SIGIR has issued a number of disturbing reports detailing failure after failure.

In one instance, the SIGIR found that the Coalition Provisional Authority (CPA), the entity set up by the Bush Administration initially to govern Iraq, distributed \$9 billion to Iraqi ministries with little or no accounting and no oversight.

In another case, the SIGIR recently found that the United States continued to fund the restoration of 16 oil pipelines under the Tigris River despite persistent warnings from geologists that the soil was not conducive to drilling. The SIGIR also found that the U.S. allocated nearly \$200 million for primary health care centers, but completed only 6 out of the 150 clinics intended to be built with these funds.

In addition, more than 75 percent of oil and gas reconstruction projects begun with U.S. assistance remain incomplete, more than 50 percent of electricity reconstruction projects are still unfinished, and provincial reconstruction teams established to assist local leaders lack security, staff, and supplies.

In light of the deliberate attempt to hide the ballooning costs in the Basrah Children's Hospital Project, I welcome SIGIR's decision to initiate a review of all of USAID-managed Iraq reconstruction programs to determine if similar omissions have

occurred elsewhere.

What's even more puzzling is that the person ultimately in charge of USAID's Iraq program, Assistant Administrator for Asia and the Near East James Kunder, is being promoted! Late last month he was nominated for the position of deputy administrator of USAID, and his nomination is expected to come before the Congress for confirmation after Labor Day. If he is confirmed, Kunder will be overseeing USAID's day-to-day operations.

I find it mind-boggling that Kunder, who was in charge of this mismanaged charade, is being rewarded with a major promotion. I call on the President to withdraw his nomination and find someone who has a record that merits appointment to a position of such trust and responsibility.

While there are many debatable points about our policy toward Iraq, one thing that can be agreed on is that the intentional act of hiding from Congress the problems facing the U.S. reconstruction effort is intolerable. The Bush administration cannot be allowed to cloak mistakes in Iraq through omissions and deceptive accounting.

The Iraqi people must see that the international effort on their soil, starting with liberation from the tyranny of Saddam Hussein, has brought them tangible benefits.

Otherwise, Iraqi alienation will increase and the ranks of the insurgents will swell, further destabilizing the country and endangering the process of building a stable Iraq at peace with its neighbors.

And although the executive branch is charged with this responsibility, Congress must ensure that the job is done right. As in every other decision concerning Iraq, we cannot do so if we are lied to.

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